

TO: Secretary Riley
FROM: COO Greg Woods
OSFA
RE: Weekly Report
DATE: August 15, 2000

PRINCIPAL OFFICE'S WORK ON PRESIDENTIAL INITIATIVES

Nothing to report.

OFFICIAL'S ACTIVITIES

Congressional Staff Briefing: On August 30, 2000, COO Greg Woods will provide a briefing to congressional staff on SFA products and services.

SFA Awards Ceremony: A SFA awards ceremony is scheduled for late August to recognize the innovative and successful performance of SFA employees.

DEPARTMENT'S NEWS

President Announces Two New Direct Loan Incentives: "Up-Front Interest Rebate" and "Consolidation Interest Rate Reduction" benefits were announced by President Clinton last week. The incentives are offered to encourage timely repayment of Direct Loans. Both of the new benefits are contingent on borrowers making their first 12 loan payments on time. The "Up-Front Interest Rebate" will begin with disbursements made for the 2000-2001 Direct Loan Program Year and is approximately equal to a one-quarter of one percent interest rate reduction over the life of the loan. The "Consolidation Interest Rate Reduction" will begin October 1, 2000 and continue until September 30, 2000. Under this benefit, borrowers who consolidate their student loans under the Direct Consolidation Loan Program will receive a reduction in the consolidation loan's interest rate of .80 percent.

CONGRESSIONAL TESTIMONY

Nothing to report.

LEGISLATIVE ACTIVITY

Nothing to report.

REPORTS

Nothing to report.